



HF 549 – Driver Education Taught by Parents (LSB1468HV)
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Fiscal Note Version – As Amended By Transportation Committee

Description

House File 549 expands current law to allow for any qualified parent to apply for a license to teach driver education to that parent's child. The Iowa Department of Transportation (DOT) will be required to verify that the instructor is a qualified parent, approve the course of instruction, and administer a driving skills test to the student upon completion of the coursework.

The qualified parent will pay a \$50.00 administrative fee for each license to teach, which will be valid for a calendar year. The license may be renewed annually for an additional \$50.00 fee. The student will be required to complete at least 40 hours of street and highway driving time.

Background

In Iowa, the DOT requires drivers under the age of 18 seeking an intermediate driver's license to meet the following requirements:

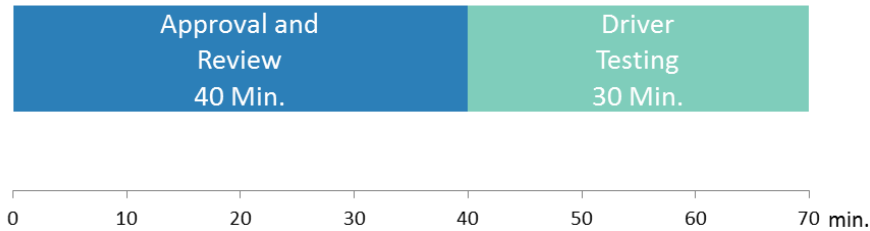
- Be at least 16 years old.
- Have held an instruction permit for at least one year.
- Have maintained a clean driving record for the six consecutive months prior to applying.
- Have completed an Iowa-approved driver education course.

Driver education courses in Iowa can be administered through public and private high schools or professional driving schools. The cost of these courses can range from \$325 to \$400. Most students who satisfactorily pass driver education courses do not need to take an additional driving skills test with the DOT. The DOT issued 34,816 intermediate driver's licenses in FY 2015 and 36,433 in FY 2016.

2013 Iowa Acts, ch. 121 amended Iowa Code section **321.178A** to allow for a teaching parent of a home-schooled child to provide private driving instruction to the parent's child. Since the Act's enactment in 2013, there have been 556 teaching parents approved by the DOT to provide driver education to their children. There are no costs to the teaching parent or student under this provision. Currently, the DOT does not have the authority to assess fees for the parental application or to administer the student driving test. Under Iowa Code section **321M**, counties shall be reimbursed for the issuance of a driver's license from the Road Use Tax Fund (RUTF) in the amount of \$7.00 per issuance.

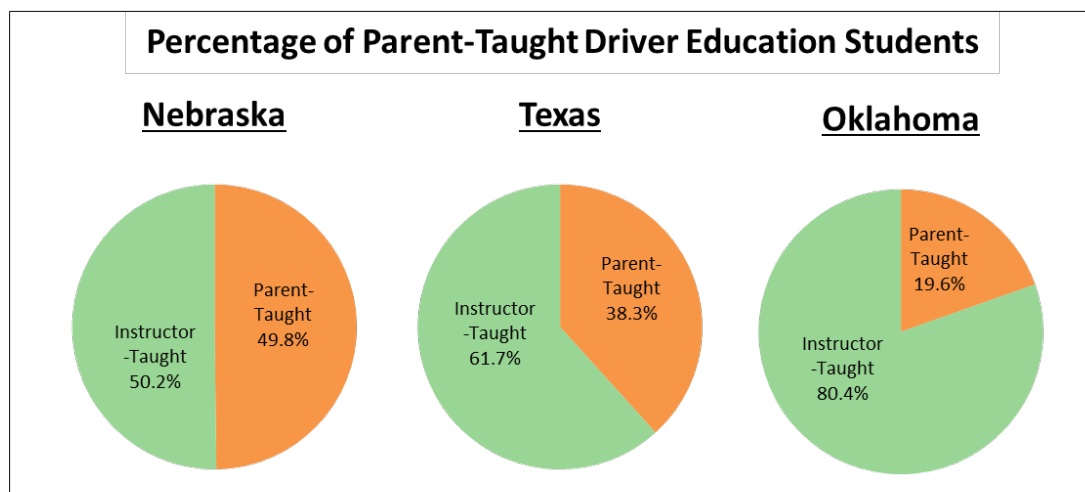
The DOT estimates that the necessary tasks to approve teaching parents, to review tests and driving logs, and to administer a driving test take a total of approximately 70 minutes per application. The following chart breaks down the estimated time spent on these tasks.

Approximate Time for DOT to Process Parental-Taught Intermediate License Application



The teaching parent approval process is handled exclusively by the DOT. Counties and the DOT can administer driving skills tests. There are 16 DOT locations and 81 counties that currently offer a driving skills test and issue intermediate licensing, although the frequency and availability may vary widely by location. Currently, approximately 35.0% of all students taking the driving skills test do so at county locations.

Several states, including Nebraska, Oklahoma, and Texas, run similar programs to the program established in House File 549, allowing for any qualified parent to teach the parent's child the driver education course. The percentage of parents who take advantage of these programs varies by state. Nebraska issued 19,712 provisional licenses in FY 2016. Of these provisional licenses, 9,822 (49.8%) were issued to parent-taught students. Texas issued 254,962 graduated driver licenses in FY 2016, of which 97,868 (38.4%) were parent-taught. In CY 2016, Oklahoma issued 36,100 learner permits,¹ of which 7,065 (19.6%) were issued to parent-taught students. The charts below illustrate the percentage of parent-taught driver education in Nebraska, Texas, and Oklahoma.



Texas charges a \$20.00 fee for a Parent-Taught Education Packet to potential parent teachers. In FY 2016, Texas sold approximately 130,000 packets. Nebraska and Oklahoma have no fees associated with parent-taught driver's education.

¹ Under Oklahoma's graduated driver licensing program, a learner permit is the next step upon completion of a driver education course.

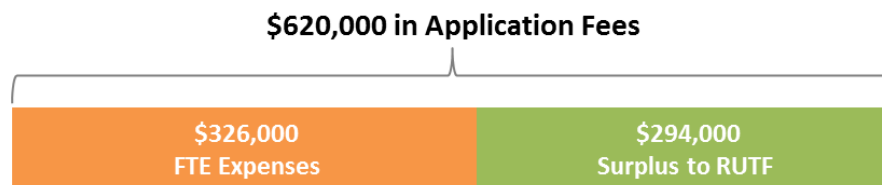
Assumptions

- Calculations assume the DOT will issue an average of 35,625 intermediate driver's licenses per year.
- House File 549 is estimated to increase the number of parents applying to provide driver education to their children. The DOT estimates that an average of 12,400 (35.0%) of all applicants for intermediate driver's licenses will be parent taught.
- Administration of the approval and review process under House File 549 is estimated to increase FTE costs to the DOT's Motor Vehicles Division by a total of 8,300 hours, or 4.0 FTE positions per year.
- Administration of driving skills testing by the DOT under House File 549 is estimated to increase FTE costs to the DOT's Motor Vehicles Division by a total of 4,100 hours, or 2.0 FTE positions. The DOT will administer an estimated 65.0% of the increased driving skills testing per year.
- An additional 4,400 students per year will utilize county licensing services for driving skills testing for an additional 2,182 hours of testing. The counties will administer an estimated 35.0% of the increased driving skills testing per year.
- The average salary, including benefits, of a DOT Driver's License Examiner is \$54,300.
- The DOT will collect \$50.00 from each of the estimated 12,400 applications per year for a total of \$620,000 per fiscal year.

Fiscal Impact

- House File 549 is expected to increase FTE costs to the DOT Motor Vehicle Division by an estimated \$326,000 per year (6.0 FTE positions x \$54,300). The Motor Vehicle Division is funded by the RUTF and the Primary Road Fund (PRF).
- The DOT is estimated to take in \$620,000 in application fees. The chart below shows the estimated expenditures, revenues, and surplus.
- Surplus dollars at the end of each fiscal year will revert to the RUTF per Iowa Code section [321.145](#).

Estimated Program Expenses and Revenue Per Fiscal Year



- The cost increases to the counties are expected to be minimal due to dispersion of driver testing amongst county licensing locations. Each additional driving skills test will cost the counties an estimated \$13.00 per administered test.

Sources

Iowa Department of Transportation
Nebraska Department of Motor Vehicles
Oklahoma Department of Public Safety

/s/ Holly M. Lyons

March 8, 2017

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
